

## Message Text

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ACTION EB-08

INFO OCT-01 EA-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 SOE-02  
OMB-01 DOE-11 /113 W  
-----095564 310310Z /64

R 300900Z JAN 78  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC 6270  
INFO AMEMBASSY TOKYO  
AMEMBASSY SEOUL  
USMISSION GENEVA

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E.O. 11652: N/A  
TAGS: EIND, ELEC, ETRD, TW  
SUBJECT: COLOR TV EXPORTS TO THE U.S.

REF: STATE 016403

1. ANOTHER AMERICAN COMPANY WILL JOIN RCA AND ADMIRAL IN  
TAIWAN IN MANUFACTURING COLOR TELEVISION RECEIVERS AND CHASSIS  
FOR EXPORT TO THE UNITED STATES. HERBERT KABAT, PRESIDENT  
OF OLYMPIC INTERNATIONAL LTD., A JERICO, NEW YORK FIRM, IN-  
FORMED EMBOFF THAT HE IS INVESTING NEARLY \$2 MILLION IN OLYMPIC  
INTERNATIONAL (TAIWAN) LTD. WHICH WILL BEGIN PRODUCTION IN  
MAY 1978 OF 19 INCH COMPLETE COLOR TELEVISION RECEIVERS  
(TSUSA 685.2044). PRODUCTION IS SCHEDULED TO RISE FROM 500  
SETS IN MAY TO TOTAL OF 53,000 SETS IN 1978. FULL CAPACITY  
PRODUCTION WILL BE 150,000 SETS PER YEAR, ALL FOR EXPORT TO  
OLYMPIC'S MARKETING NETWORK IN THE U.S.. CONTRARY TO PRESS  
REPORTS, NO 13 INCH SETS WILL BE MANUFACTURED, AS KABAT  
BELIEVES 13 INCH SETS WILL BE LESS PROFITABLE THAN 19 INCH  
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SETS.

2. OLYMPIC'S 100,000 SQUARE FOOT FACTORY IS LOCATED IN TAO-  
YUAN CITY, JUST SOUTH OF TAIPEI. THE LABOR FORCE IS EXPECTED  
TO TOTAL 350 WOKERS. MANUFACTURING TECHNOLOGY IS BEING PUR-  
CHASED FROM A JAPANESE FIRM WHICH PREFERS TO REMAIN COMPLETELY  
ANONYMOUS. INITIALLY, THIS SAME JAPANESE FIRM WILL SUPPLY

PICTURE TUBES AND MAJOR COMPONENTS TO OLYMPIC, AT LEAST UNTIL THE PHILLIPS COLOR PICTURE TUBE PLANT IN HSINCHU COUNTY COMES ON STREAM, AND UNTIL TAIWAN MANUFACTURERS' COMPONENT QUALITY MEETS OLYMPIC'S HIGH STANDARDS. (FYI: JANUARY 9, 1978 ISSUE OF TELEVISION DIGEST REPORTED THAT AN OLYMPIC PROTOTYPE MODEL DISPLAYED AT THE LAS VEGAS CONSUMER ELECTRONICS SHOW USED NIPPON ELECTRIC COMPANY PICTURE TUBES AND COMPONENTS, AND MOREOVER IT SPECULATED THAT PRODUCTION TECHNOLOGY ALSO WILL COME FROM NEC. KABAT NEITHER CONFIRMED NOR DENIED THE REPORT.)

3. KABAT'S REASONS FOR RE-ENTERING COLOR TV MANUFACTURING ARE EXTREMELY INTERESTING. HE EXPLAINED THAT PREVIOUSLY SANYO WAS SELLING COLOR TV'S DIRECTLY TO RETAILERS AT THE SAME PRICE OFFERED TO WHOLESALERS LIKE OLYMPIC, PUTTING SEVERE PRESSURE ON OLYMPIC'S MARKUPS. THEN THE OMA LED TO A SUPPLY SHORTFALL PARTICULARLY IN THE LOW PRICE SEGMENT OF THE COLOR TV MARKET. OLYMPIC THUS SAW AN OPPORTUNITY TO MEET DEMAND AND BOOST PROFIT MARGINS. IN THIS REGARD, KABAT FILED HIS FOREIGN INVESTMENT APPLICATION WITH THE ROC IN JULY, 1977, JUST TWO MONTHS FOLLOWING THE CONCLUSION OF THE OMA. (AT PRESENT, THERE ARE NO OTHER AMERICAN APPLICATIONS COVERING COLOR TV MANUFACTURING IN TAIWAN ACCORDING TO THE ROC INDUSTRIAL DEVELOPMENT AND INVESTMENT CENTER.)

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, TELEVISION EQUIPMENT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 jan 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978TAIPEI00616  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780045-0364  
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**Line Count:** 85  
**Litigation Code IDs:**  
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**Litigation History:**  
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**Message ID:** d79363e3-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 16403  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 27 apr 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3769729  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COLOR TV EXPORTS TO THE U.S.  
**TAGS:** EIND, ELEC, ETRD, TW  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/d79363e3-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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20 Mar 2014  
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